

84-2033

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Office of Communications Banding Experiment

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FROM:

C/PMCD/OP

EXTENSION

NO.

DATE

10 MAY 1984

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TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. DD/PA&E

2.

3. EO-D/PERS

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5. DD/PERS

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As you are aware, Bill Donnelly has suggested that the grade bands we proposed for OC be modified. Although we do not concur with the bands he has suggested, we have developed an alternative which provides him with all the flexibility he is seeking, and which maintains the integrity of the experiment. Our proposal is attached as background for your discussion with Bill.

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D/Pers

14-2033

10 MAY 1984

MEMORANDUM FOR: Director of Personnel

VIA: Deputy Director for Policy Analysis
and Evaluation, OPFROM: Chief, Position Management and
Compensation Division, OP

SUBJECT: Office of Communications Banding Experiment

1. I have been told that the Director of Communications will see you tomorrow to deliver his formal appeal of PMCD's grade call on the Telecommunications Officer benchmark. Should he raise the banding issue, the following will be useful to you.

2. As you are aware, Bill Donnelly has proposed an alternative to our banding proposal which involves only two bands above the trainee level. One is a GS-9 to GS-12 band for Full Performance Level (FPL) communicators, with a salary range of \$21,066 to \$39,711. The second is a managerial level of GS-13 through GS-15, with a salary range of \$36,327 to \$65,642.

3. The basis for Mr. Donnelly's proposal, as we understand it, is to provide him with greater management flexibility. However, this proposal actually limits long-term administrative flexibility and establishes a framework which will likely doom any further Agency experimentation with banding programs. Specifically, the bands which have been proposed offer the following long-term disadvantages.

a. Growth potential is offered to communicators at the low end of both bands at the expense of those who would have been in the GS-12/13 and GS-14/15 bands. This occurs because movement within each band is keyed to the midpoint of each band. So while the midpoint of the FPL band is moved from \$27,000 for the GS-9/11 band to \$30,400 for the GS-9/12 band, the midpoint for the GS-12/13 band (first level supervisor) is moved from \$39,400 back to \$30,400. Similarly, the midpoint of a GS-13/15 band is moved up for the GS-13 from \$39,400 to \$51,000. But the midpoint for those who would have been in the GS-14/15 band is moved back from \$54,300 to \$51,000.

b. Establishment of a GS-9/12 band and a GS-13/15 band will be perceived by other organizations in the Agency as providing OC with a license to operate with no grade controls whatever.

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c. Because a structure such as that proposed by OC essentially eliminates all position classification controls, it is unlikely that OMB or our Congressional committees will accept such a structure. Furthermore, an attempt to sell this structure to them stands to imperil further Agency initiatives in the pay area.

d. Even if Mr. Donnelly's proposal is ultimately approved, over the long term this pay structure will undermine morale in OC. Initially, the two-band proposal will seem attractive to the mass of the communicators because it will appear that everyone can aspire to new heights never before possible. However, after the system has been in place for three to five years, significant compression will begin to occur between supervisory/managerial salaries and working-level salaries. This is an unacceptable situation in any organization.

e. In addition to probable adverse impact within the Office of Communications, adoption of a poorly structured pay system will ultimately impact adversely on the Agency. The purpose of this experiment is to evaluate the utility of grade banding for application elsewhere in the Agency. The bands proposed by Mr. Donnelly will not provide meaningful data for application to other areas of the Agency.

4. If Mr. Donnelly's intent is to develop the flexibility to reward strong performers without forcing them into management, there is an alternative which maintains the integrity of the pay and classification systems and which provides a dual track upward movement possibility. This option involves establishment of an intermediate band between the FPL GS-9/11 band and the supervisory GS-12/13 band. The salary range would be GS-11/1 through GS-12/10. Thus the bands would appear as follows:

Band I	(Trainee)	GS-5/1 through GS-8/10
Band II	(FPL)	GS-9/1 through GS-11/10
Band IIIA	(Senior)	GS-11/1 through GS-12/10
Band IIIB	(1st Level Supervisory/ Staff Officer)	GS-12/1 through GS-13/10
Band IV	(Senior Mgmt/Staff)	GS-14/1 through GS-15/10

5. Establishment of the IIIA band maintains all pay ranges at approximately 50%, the range typically used in the private sector. Furthermore, this alternative offers a pay structure to allow movement of key people to the GS-11/12 range without requiring supervisory responsibility, subject to appropriate position classification limitations set by Agency management. The IIIA band also maintains a clear position differentiation between distinctly identifiable position levels within OC.

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6. We have informally suggested the alternative described above to Mr. Donnelly. At this point, however, he seems intent on pursuing his own preference. As a result we are at an impasse which must be resolved. Further delays will jeopardize our plan to complete a formal proposal for DCI consideration by early July and to implement the experiment on 1 October 1984. While I hope that Mr. Donnelly will withdraw his objections to the proposed banding structure, we will have to consider relocating the experiment if he does not. However reluctant we might be to elect that alternative, it may have to be applied for us to move ahead on this project.

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